

To: Zenick, Elliott[Zenick.Elliott@epa.gov]
From: Anderson, Lea
Sent: Tue 10/17/2017 2:40:09 PM
Subject: draft note to Mandy -- let me know what you think

I had the wrong date for the abeyance – the case is held in abeyance until October 31st only, at which time another status report is due.

I've pulled out the relevant discussion in the SIP of remaining useful life. For White Bluff (the BART source), the SIP explains that Entergy's cost analysis was based on "their proposal regarding changes in coal-fired operations." Although Entergy's "proposed date to enact these changes" was redacted, Arkansas concludes that it corresponds to a 7 to 8 year remaining useful life from the date of installation of BART controls. The State then notes that in comments on the FIP, Entergy proposed to "take an enforceable limit" regarding their planned changes in coal-fired operations. Draft Arkansas SIP at 31.

The SIP concludes:

Under the guidelines for BART determinations, the remaining useful life calculation should begin on "the date that controls will be put in place" (compliance date) and ending on "the date the facility permanently stops operations." Based on the controls evaluated, the compliance date for controls would be as expeditiously as practicable, but in no event later than five years after approval of the SIP. The guidelines further specify that the permanent operations cessation date should be "assured by a federally- or State-enforceable restriction preventing further operation." [1] Therefore, ADEQ agrees that Entergy's cost-effectiveness calculations are reasonable based on a remaining useful life of seven years and Entergy's proposal to take an enforceable limit regarding the timing of their planned changes in coal-fired operations date.

Ex. 5 - Attorney Client

For the reasonable progress source, Independence, Arkansas concludes that EPA unreasonably assumed that the facility would continue operations for 28 years beyond the typical book life of a coal-fired EGU. ADEQ then assumes that Independence would have a similar remaining useful life as White Bluff without explaining the basis for this conclusion. ADEQ uses takes into account several other factors to conclude that the cost per ton estimates of controls at Independence are higher than either EPA's or Entergy's earlier estimates. Although that assessment is qualitative and the state does not present its own dollar per ton estimate, ADEQ does conclude that scrubbers are not cost effective on a dollar per ton basis. Draft Arkansas SIP at 50-55.

From: Zenick, Elliott
Sent: Monday, October 16, 2017 4:54 PM
To: Anderson, Lea <anderson.lea@epa.gov>
Subject: Can we pull

The key statements in the draft an Rh sip related to remaining useful life. I want to make sure Mandy sees them.

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[1] Id.